

**MINUTES OF THE REGULAR ADJOURNED MEETING OF THE
LA CAÑADA FLINTRIDGE CITY COUNCIL
HELD ON TUESDAY, JUNE 8, 2004
IN THE CITY COUNCIL CHAMBERS AT 1327 FOOTHILL BLVD.
LA CAÑADA FLINTRIDGE, CALIFORNIA**

1. Call to Order

Mayor Olhasso called the meeting to order at 7:04 p.m.

2. Roll Call

Councilmembers present were Gregory Brown, Stephen Del Guercio, David Spence, Anthony Portantino, and Laura Olhasso.

Staff members present were City Manager Alexander; City Attorney Steres, City Treasurer Voss; Director of Community Development Stanley; Director of Public Works Castellanos; City Engineer Kwan; Senior Management Analyst Goytia Strauss; Management Analyst Meyer and City Clerk Wahlsten.

3. Pledge of Allegiance

The Pledge of Allegiance was led by Marvin Chau.

4. Public Comments

The following persons were wishing to speak:

Nat Read, 710 Freeway Coalition, stated he wished to inform the City Council regarding a poll taken recently and the poll data showed that the citizens of La Cañada Flintridge are evenly split about the completion of the I-710. They added a question about sound walls and found that if sound walls are added, more favored the completion. The data and methodology are presented for the Council's information and use.

Jim Short, Journey's End, objected to a three-minute speaker's limit on Agenda Item 14.

Presentations

5. Public Safety Update – Sheriff's Department

Captain Peters gave the report. He introduced Joe Rea, Operations Sergeant at the Station. He presented a "push pin" map showing various incidents in the City and answered questions from the Council. He also passed out information regarding protecting yourself against identity theft.

Reordering of and Additions to the Agenda

Mayor Olhasso reordered Item 14 to this point in the meeting.

Public Hearings

14. Regarding the proposed formation of Sewer Assessment District 04-1 (Project Areas 3A & 3B) and the proposed levy of assessments within such Assessment.

Mayor Olhasso announced that this is the time and place fixed for the public hearing related to the proposed formation of Assessment District No. 04-1 (Sewer Project Nos. 3A & 3B) and the proposed levy of assessments within such Assessment District. She expressed appreciation to the people who are attending the meeting to listen to the facts.

City Clerk Wahlsten stated that the notice of the public hearing and distribution of the assessment ballots has been completed in the manner and form as required by law.

Warren Diven with Best Best & Krieger, Bond Counsel, stated that this is the time and place to allow the public to give testimony regarding the proposed formation of Assessment District 04-1. He described the public hearing procedure, the assessment ballot and tabulation procedure.

He noted that on April 19, 2004, the City Council adopted a Resolution of Intention and gave approval to a Preliminary Engineer's Report. This evening a Final Engineer's Report dated June 8, 2004 is presented to the City Council. There are certain assessments recommended for adjustment based on discussions the Assessment Engineer had with various property owners.

Any ballots that will be counted must be received by the City Clerk prior to the close of the public hearing this evening. Diane Gladwell, Gladwell Governmental Services, will begin the tabulation on Wednesday, June 9, 2004, 8 a.m. in the City Council Chambers and any members of the public are welcome to observe. On June 14, 2004, Ms. Gladwell will report the results to the City Council at a special meeting beginning at 7 p.m. If there is a majority protest, the City Council will not have authority to go any further. If there is no majority protest, the City Council will have the authority to either form or not form the assessment district.

City Manager Alexander introduced the staff report and publicly thanked all the consultants and staff who worked to bring this issue to the City Council to enable the property owners to have the opportunity to vote on sewers. Director of Public Works Castellanos gave the staff report including a description of the boundaries of the proposed assessment district and improvements to be constructed.

Scott Koppel, Assessment Engineer with MuniFinancial, presented the Final Engineer's Report. Ten assessments have been changed based on data received from property owners or the Assessor's Office. He noted that, by law, no assessments can be increased.

Mayor Olhasso opened the public hearing. She noted that all questions raised by the public will be considered at the end of the public testimony.

Michael Crews stated he was opposed to the project and was also speaking on behalf of two other families who are life-long residents and cannot afford this assessment.

Priscilla Luther-Heft spoke in opposition to the assessment. She stated her husband is a public school teacher and they cannot afford the assessment.

Jim Short spoke in opposition to the assessment. He requested exemption from the district or reduction of the assessment, and stated he was reserving his rights to challenge this matter in court. He asked the position of bond counsel on the statute of limitations to bring a lawsuit.

Robert McConnell stated he is a 26 year resident and cannot afford the assessment. He is in his 90's and on a fixed income.

Philippe Hartley stated he was opposed because of the change in cost from Districts 1 and 2, the poor road conditions created in District 2, and asked what else they could get for that money. He suggested burying the other utilities at the same time.

Keith Teruya asked if any environmental studies had been done on the impact of losing the groundwater created by the septic systems.

Irene Mendon stated concern about preservation of the trees during the construction process.

Louis Whipple stated he is in favor of the sewers, but objects to the cost. He asked about the bid process and why we don't use plastic pipe instead of clay since it's less expensive.

Peter Kudrave suggested the construction process be managed in a better manner.

Robert Ferber stated the construction process in District 2 including condition of the streets and where they leave their machinery and supplies is unacceptable and needs to be fixed. He suggested that the assessments should not be placed on the tax rolls until the sewers are installed and available for connection.

Brent McWatters asked the correlation between assessed value and the assessment amount. He also asked that the roads not be slurry sealed until they had a chance to do their connection to the sewer.

Lindi Dreibelbis Arthur stated she is here because she is undecided, but had questions about what she perceives as an inequitable situation between this district and the prior ones.

Terry Tao and Jun Setobuchi stated they are the attorneys for the La Cañada Unified School District. They asked to confirm the assessment amount of \$448, 879. Council concurred that "Attachment A" to the Resolution shows that as the School District's amended assessment.

Richard von Lossberg stated he is in favor of sewers but concerned about the cost. He asked about the agreement with the School District that was reported in the newspaper. He stated there are a lot of property owners who need assistance and asked why we are rushing into this.

Joe Florio asked if the weight of the School District's vote would be reduced by the amount of assistance the City provides them.

Council, staff and consultants answered the questions posed:

1. Why are the prices higher than District 1 and 2? Dave Hunt, engineer with Willdan, responded that 80 soil borings indicated a large amount of rock in District 3 which raises the construction cost about \$4 million. The sewer lines will be much deeper in order to maintain the gravity flow because of the topography and location of homes on the lots. The goal was to serve as many homes as possible without grinder pumps or pump stations. That is an addition of about \$6 million. Finally, the financing costs add about \$4 million. This District is also pre-paying the connection fees.
2. What was the bid process? Mr. Hunt reviewed the construction bidding process that was done. The process followed the state law for public works projects. He noted that the same contractor that is the contractor on Area 2 was the low bidder on Area 3.
3. Why is clay pipe being used instead of plastic? Mr. Hunt stated that Los Angeles County Department of Public Works will not maintain plastic pipes because they do not believe they last as long. The City of La Cañada Flintridge has a contract with Los Angeles County for maintenance and has to follow their requirements. Plastic pipe is being used for the laterals from the main line to the property lines. The County does not maintain the laterals; they are owned and maintained by the property owners.
4. Will the street have to be torn up twice? Mr. Hunt stated that temporary asphalt is put in after the main line trenching is done. Then the contractor comes back and works on the laterals. A four foot trench is dug across the main to push the plastic laterals to the property line. The lines have to be pressure tested and videoed before the street is repaved. Delay in obtaining easements has delayed the contractor and caused him to move from one area to another. There is no construction yard in the city that the contractor can use so he has to store equipment and material on the street.

5. Can we bury other utilities at the same time as we are doing the sewers? Mr. Hunt explained the separation requirements for trenches for the various utilities because of future maintenance needs. Electrical, cable and telephone can be in the same trench six inches apart, but nothing can be combined with sewer.
6. What steps will be taken to protect trees during the construction? Mr. Hunt gave the example of the work that was done on Commonwealth where they had to protect the oak trees. The residents brought in Sierra Clubs representatives and the City had their arborist present to observe the construction. Typically the roots don't grow into the street because the water comes from the residents' yards and the roots grow towards that. If roots were present they would have to bore underneath them. He emphasized that the City does not want trees to be damaged.
7. Why does the assessment begin this year on the tax bill? Larry Rolapp, Fieldman, Rolapp & Associates, financial advisor, stated that with the bonds being sold in August, the City either has to put the assessment on this year's roll or capitalize the interest in order for the bond holders to get payment. The District is saving approximately 6% of the total project by putting the assessments on this year's tax roll which lowers everyone's overall assessment. Councilmember Brown noted that this is the same process that was followed in District 2. He is in that District and started paying the assessment last year even though he is not yet able to connect to the sewer.
8. What is the total cost of the assessment over the life of the financing? Mr. Rolapp stated that in Area 3B, the typical assessment is \$18,194. That assessment, collected over 20 years would total \$27,900. The \$3 million bond reserve fund that is required to be funded will be used to make the final payment in year 20. The total is based on their conservative estimate of interest rates when the bonds are sold, which is 5/3/4%. Mayor Pro Tem Portantino pointed out that the assessment shown can go down, but it cannot go up.
9. What is the correlation between assessed value and the assessment? Mr. Rolapp stated there is nothing in the documents that represent the assessment is based on assessed value. This is being done under statutes that require the assessment to be based on direct and special benefit and every single-family property is assumed to have the same direct and special benefit. Mr. Hunt stated that schools, restaurants or other businesses are assessed on their presumed sewage flow and those flow rates are set by the County Sanitation District. Vacant parcels are not assessed, but when they build a home they will be assessed as part of the building permit process.
10. What is the discount for pre-payment? Mr. Rolapp stated that if property owners elect to pay their assessment in cash, they are given a credit of 11.4% because they do not have to pay the financing costs of going to bond. They can pay all or a portion of their assessment during the 30-day cash collection period. If the City

Council forms the District, the 30-day cash collection period will begin the next day. The property owners will receive notices in the mail regarding this process.

11. Can citizens purchase bonds? Mr. Rolapp stated they are working with one underwriter and citizens who want to purchase bonds can contact the City Treasurer and he will pass the information on to the underwriter.
12. Why don't we wait for State loan program before proceeding with this District? Mr. Rolapp stated that it had been anticipated that the City would fund part of this project through the State revolving loan program as was done in District 2. The State Water Resources Board suspended the loan program in the fall of 2003. The City has been trying to determine when that program would be resumed. The State is still saying 1-1/2 to 2 years. We are ranked 9th on the list of applicants, but there is no guarantee that program will start again or what the interest rates will be at the time the program is resumed. The interest rate the State charges on the loans is a function of the interest rates the State pays to borrow the money and interest rates are rising. In addition, increases in construction costs could also prevent any savings gained by a lower interest rate. Mayor Olhasso pointed out that these were the very issues the City Council had considered when making the decision to move ahead at this time and allowing the property owners to vote.
13. What happens if the interest rate is lower than anticipated when the bonds are sold? Mr. Rolapp stated that the annual installment on the tax bill will be lower.

Council asked for a description of the grant program available under Community Development Block Grant funds. Currently, there is \$12,000 available to people who qualify under income requirements. There is also \$6,000 available for home improvements for people who qualify.

14. How are the sewer fees charged? There are 3 charges involved with sewers. The first is the annual assessment on the tax roll, the second is the cost of doing work on your property to connect to the sewer line; the third is the annual maintenance fee. Director of Public Works Castellanos stated that the annual maintenance fee is approximately \$20 charged by the County of Los Angeles and collected on the tax roll. The Sanitation District charges \$125 per year for treatment of the sewage. Fees for Area 3A are slightly higher, but similar, since they flow through a different sewage system.
15. Why is the cost of slurry sealing included in the assessment? Director of Public Works Castellanos stated that the majority of City street maintenance funds in the past few years have been expended doing maintenance following the sewer construction. The contractor is only required to improve the portion over the trench and the majority of complaints about the sewer project have been about the street maintenance. It was determined that the process would be improved if all the streets were sealed and striped following the construction. It also allows the

private streets to be included at a reduced cost. The cost is below \$200 per property to do the slurry sealing.

16. How stable are the sewer maintenance fees? Director of Public Works Castellanos stated these fees have not changed for over five years and the last increase was only a few dollars. Councilmember Del Guercio stated that the Sanitation District manages their system at one of the lowest rates of any large urban area.
17. What material will the contractor use to repair the private street if it is currently concrete? Mr. Hunt stated that the contractor is required to replace in kind. Whatever is existing will be replaced.
18. What is the statute of limitations on a lawsuit to challenge the formation of a sewer district? City Attorney Steres stated it is not the City's job to explain to a citizen what it takes to sue the City. The legal right has been set out in all the documents considered and adopted leading up to this meeting. There is a Constitutional right, State statutory right, and it is well-grounded in the law.
19. Has there been an environmental study on the groundwater displacement by replacing the septic systems with sewers? Director of Public Works Castellanos stated that the City has not done any studies on the groundwater. La Crescenta has noted a slight drop in the groundwater table, but they attribute it to being in the middle of a drought not the installation of sewers.

Mr. Castellanos noted there is increasing pressure by the State Water Quality Control Board to be sure the groundwater is cleaned up. Councilmember Del Guercio noted the experience of the City of Del Rio where the State demanded that sewers be installed. Councilmember Brown stated there is no crystal ball, but he feels it makes long-term economic sense to do this now and there is no cost savings to waiting.

20. What is the agreement with the School District regarding their assessment? Mayor Olhasso stated she appointed a sub-committee of herself and Councilmember Del Guercio to meet with a sub-committee of the Governing Board to determine if there was a way the City could help the School District. City Manager Alexander stated the group met three times and looked at several items: 1) The average school population at Palm Crest Elementary. Based on additional school district information, the average was reduced which reduced the assessment by \$26,156. 2) The cost of connecting to the Sanitation District which was included in the assessment. The Sanitation District routinely waives those costs for public agencies and that resulted in a reduction of \$28,000. City Attorney Steres pointed out that the school district's weighted vote will decrease by the amount of the reduction in their assessment. 3) The possibility of a low interest loan from the City to allow the school district to pre-pay their assessment and realize the 11.4% savings, or \$49,377. Several options for structuring the loan

were presented to the school district. 4) The on-site improvements required for connection to the sewer system can be altered to reduce their cost

21. Why is this hearing being held at the same time the ballots are due? Mr. Diven explained the assessment ballot proceedings established by the State Constitution.

Mayor Olhasso stated that the assessment engineer has made a recommendation that the preliminary assessments on certain parcels be modified. Motion by Councilmember Spence, seconded by Councilmember Brown to adopt Resolution No. 04-26, entitled, "A Resolution of the City Council of the City of La Cañada Flintridge, Ordering Certain Changes and Modifications to the Engineer's Report for Assessment District No. 04-1 (Sewer Project Nos. 3A & 3B)." Motion carried unanimously.

Mayor Olhasso reminded the audience that all assessment ballots and replacement assessment ballots must be received by the City Clerk before the public hearing is closed. Assessment ballots or replacement assessment ballots received after the close of this public hearing will not be tabulated.

Recess and Call to Order

Mayor Olhasso recessed the meeting at 9:30 p.m. in order for persons to complete voting their ballots. She called the meeting back to order at 9:45 p.m. with all Councilmembers present.

Mayor Olhasso announced the public hearing is closed. Any ballots received by the City Clerk after this time shall not be tabulated. All assessment ballots received by the City Clerk will be turned over to Diane Gladwell, the designated tabulation official, for tabulation. Ms. Gladwell will report the results of the tabulation at the meeting to be held June 14, 2004, starting at 7 p.m. If a majority of the assessment ballots submitted is in favor of the levy of the assessments, the City Council will then deliberate and consider the adoption of a resolution to form the assessment district and confirm the levy of the assessments. There will be no public testimony as a part of the City Council deliberations on June 14th. If a majority of the assessment ballots submitted is opposed to the levy of the assessments, the City Council will be precluded from forming this assessment district and levying assessments as a part of these proceedings.

Reordering Items

Mayor Olhasso requested that Item 16 be considered at this time since the applicants are present.

16. Appeal by Abby Productions of staff's denial of Photography/Film Permit for production at Flintridge Sacred Heart Academy, 440 St. Katherine Drive, outside allowed hours and days.

Staff report by Management Analyst Meyer. On May 19, representatives from Abby Productions applied to film at Sacred Heart. There are corrections to the dates and times shown in the staff report. June 9 has no filming. June 10 and June 11 is midnight to 6:00 a.m. June 24 has no filming. June 25 is midnight to 6:00 a.m. The City's ordinance does not allow production on Sundays or midnight to 6:00 a.m. on any day. They are appealing staff's denial which was based on the ordinance. They have submitted a letter from Sacred Heart and signatures of 26 of 27 property owners in a radius of 1,000 feet approving the filming. One is opposed. Staff recommends denial of the application based on the ordinance.

Mr. Meyer stated they have researched film permit policies of other cities. Many allow filming with a 90% approval of surrounding residents. He noted that the film company has been very responsive to the City's concerns.

City Manager Alexander recommended that if the City Council approves the application, they require the film company to have deputies on location when they are filming at night, as determined by the Sheriff's Department.

Randy Hollescahu, Producer, and Jesse Rivard, Location Manager, described the production and answered questions from the Councilmembers.

Motion by Councilmember Brown, seconded by Councilmember Spence to uphold the applicant's appeal with the requirement that they coordinate with the Sheriff's Department to determine what's needed in terms of Deputies on site. Motion carried unanimously.

Ordinances

15. Ordinance No. 350 – Adoption - Adding Chapter 6.40 to the La Cañada Flintridge Municipal Code to Regulate Massage Establishments

Staff report by City Attorney Steres. This is the second reading on regulations for massage businesses and technicians in the City. Councilmember Brown asked if the YMCA had reviewed this. Management Analyst Meyer stated a copy had been sent to the Y, but he had no response. The YMCA is exempt, but the technicians would need to be licensed under terms of the Ordinance. We don't have the information from the Sheriff's Department in order to set the fees. The Sheriff's Department will do the background check on the applicants.

Council concurred to continue this item until we have the fee resolution. City Manager Alexander stated staff will prepare another urgency ordinance since the moratorium expires on June 30, 2004 and bring back the second reading when we can answer the Council's questions.

Consent Calendar

6. Approval of Minutes of the City Council:
 - May 17, 2004 Special Meeting
 - May 17, 2004 Regular Meeting
 - May 26, 2004 Special Meeting
 - May 27, 2004 Special Meeting
7. Approval of Warrant Resolution No. 04-10
8. Receive and file Commission Agendas:
 - Public Works & Traffic Commission Meeting of May 18, 2004
 - Parks & Recreation Commission Meeting of May 19, 2004
 - Planning Commission Action Agenda for Meeting of May 25, 2004
 - Public Safety Commission Agenda for Meeting of May 26 2004
 - Youth Council Agenda for Meeting of June 2, 2004
 - Design Commission Action Agenda for Meeting of June 3, 2004
9. Approve change in designation of street trees planted in public right-of-way from Sycamore to Liquid Amber on Loma Vista Drive adjacent to 1366 Salisbury Road, as requested by petition of the residents and approved by the Public Works & Traffic Commission.
10. Approval and Acceptance of Work by Spohn Ranch, Inc. for Furnishing and Installation of Half Pipe Skate Ramp at City Skate Park and Authorization for Staff to File the Notice of Completion.
11. Approve request to waive special event application fee for the Chamber of Commerce Fiesta Days Parade (May 31); Crescenta-Cañada YMCA Fiesta Days run (May 31); Paradise Canyon Elementary School Family Fun Run (May 15); Kiwanis Club Soap Box Derby (May 29) and Earlmont block party (June 26), by finding public's welfare interests are best served by such waiver.
12. Resolution No. 04-27, entitled, "a Resolution of the City Council of the City of La Cañada Flintridge Adopting a Revised Commercial Improvement Grant Program."
13. Authorize the City Manager to execute agreement with the Valley Sun newspaper to co-sponsor the 2004 Summer Music in the Park concert series.

Motion by Mayor Pro Tem Portantino, seconded by Councilmember Spence to approve the Consent Calendar as presented. Motion carried unanimously.

Other Business

17. Appointment of Commissioners/Committee Members to fill scheduled vacancies.

City Clerk Wahlsten distributed ballots to each Councilmember for each Commission. Interviews were held on May 26 and 27, 2004 for these positions. In response to query from Councilmember Brown, City Clerk Wahlsten read Section 11.47.150 of the Zoning Code regarding membership on the Design Commission. Director of Community Development Stanley stated that of the three continuing members on the Design Commission, one is an architect, one is an urban planner, and one is a business owner not necessarily living in the City.

Votes were taken as follows:

Design Commission: John Edwards – received unanimous vote. Larry Moss – votes of Brown, Spence, and Portantino. Andrew Dick – vote of Olhasso. Eileen Ferber – vote of Del Guercio. John Edwards and Larry Moss were elected to second terms.

Investment & Financing Advisory Committee: Daniel Heller and David Hemstreet – received unanimous vote. Mr. Heller was elected to a second term and Mr. Hemstreet to his first term.

Parks & Recreation Commission: Gregory Boss and Jon Moldafsky – received unanimous votes for election to second terms.

Planning Commission: Maria Mehranian – received unanimous vote. Michael Cahill – vote of Brown, Portantino, and Del Guercio. Jane Nowothy – vote of Olhasso and Spence. Ms. Mehranian was elected to a second term and Mr. Cahill to his first term.

Public Safety Commission: Faye Therrien – received unanimous vote. Neal Millard – votes of Del Guercio and Portantino. James Hill – vote of Olhasso. David Vaughn – votes of Brown and Spence. Faye Therrien was elected to a second term.

Public Safety Commission – second ballot: Neal Millard – votes of Del Guercio and Portantino. David Vaughn – votes of Brown, Olhasso and Spence. Mr. Vaughn was elected to his first term.

Public Works & Traffic Commission: John Connolly and C. Dana Hobart – received unanimous votes for election to second terms.

Youth Council: Trisha Ashford – vote of Portantino. Patrick Atwater – vote of Spence. Katie Caswell – votes of Portantino, Olhasso, and Brown. Mary Kate Hurlbutt – votes of Portantino, Olhasso, Del Guercio. Stephanie Liu – vote of Del Guercio and Spence. Julia Musker – vote of Brown. Melissa Richmond – votes of Spence, Olhasso, Brown, and Del Guercio. Katie Caswell, Mary Kate Hurlbutt, and Melissa Richmond were elected to two-year terms.

Concluding Business

18. Councilmembers' Reports regarding regional and local representation

Councilmember Spence stated he has been working on Contract Cities programs for the coming year and three members of our City Council have been elected to serve on the Executive Committee. Mayor Pro Tem Portantino is chairman of the Legislature Committee; Councilmember Brown is Chairman of City/County Contracts; and Councilmember Del Guercio is Chairman of the Legal Committee. He congratulated them.

Mayor Olhasso commended the Chamber of Commerce for Fiesta Days. Pat Anderson, Executive Director, was present in the audience.

19. Councilmembers' request for future agenda items

Mayor Pro Tem Portantino asked for a report regarding adding volunteers to our insurance for trails maintenance purposes. Council concurred and City Manager Alexander will report back.

20. Councilmembers' comments

Mayor Pro Tem Portantino asked if we had contacted Junior Baseball regarding lights at the Oak Grove fields. City Manager Alexander stated there will be a Council Consideration item during the budget hearings later this month. Mayor Pro Tem Portantino stated Junior Baseball needs to know what the budget is proposed to be so they can make their commitment to the project. Tom Adams, Management Analyst, is making contacts with the user groups.

Councilmember Del Guercio reported that the new trail off Forest Hill is nearing completion. Mayor Pro Tem Portantino suggested a ribbon cutting ceremony with an invitation to the Santa Monica Conservancy.

21. City Manager and/or staff comments

City Manager Alexander asked for clarification on AB 712, the Assemblymember Liu bill, and whether or not the City Council wants that on a future agenda. There was consensus to put this item on the June 14, 2004 agenda.

Adjournment

Mayor Olhasso adjourned the meeting at 10:45 p.m. in memory of President Ronald Reagan who died last week.

Marjorie K. Wahlsten, CMC, City Clerk

Minutes approved by the City Council on July 6, 2004